

FISCAL NOTE

HB 802 - SB 1190

March 17, 2005

SUMMARY OF BILL: Creates the Landfill Methane Development Act and encourages use of methane produced by landfills as a substitute for natural gas. Authorizes any person to finance, acquire, own, operate, lease and dispose of rights, titles and interest in facilities to produce and treat methane from landfills in Tennessee. Authorizes a pipeline corporation to transport landfill methane gas alone or mixed with natural gas. Authorizes any person to contract for the purchase of supplies of landfill methane in lieu of natural gas and transport it by pipeline within or outside the State of Tennessee. Creates several exemptions for persons and corporations involved with methane production and distribution from regulation by the Tennessee Regulatory Authority.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Exceeds \$100,000/Permissive

Assumptions:

- There are 3 landfills in Tennessee that are currently recovering landfill gases for end use.
- There are 25 landfills in Tennessee that could produce electricity from methane to meet the demand of 53,611 homes.
- Local governments would incur significant cost to establish a methane producing landfill.
- Possibility to obtain federal tax credits from the Environmental Protection Agency

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

HB 802 - SB 1190